



Child Development and Care (CDC) Family Independence Agency State of Michigan

www.michigan.gov/fia-publications

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If you have any questions about the information in this booklet or about the Child Development and Care Program, contact your local Family Independence Agency office.



Child Development and Care (CDC) Program



1. WHAT is the Child Development and Care (CDC) Program?

A Michigan Family Independence Agency (FIA) program that helps with child care costs.

2. WHO may be eligible for Child Development and Care benefits?

- Low-income families
- Licensed foster parents requesting care for foster children
- Members of an FIA protective or preventive services case participating in an approved treatment program for a physical, mental, or emotional condition.
- Family Independence Program (FIP) or Supplemental Security Income (SSI) recipients
- FIP applicants participating in a required Michigan Works! Agency (MWA) approved activity

3. WHAT are valid need reasons for CDC benefits?

Eligible families must demonstrate that they need child care benefits in order to:

- Work,
- Attend high school completion classes (including GED, ABE and ESL),
- Participate in approved MWA education and other employment preparation programs, or
- Participate in an approved treatment program for a physical, mental, or emotional condition.

Families must provide minimum verifications at application.

Any benefits received when the parent(s)/substitute parent(s) is not participating in one of the above need reasons **must** be repaid.

CDC does <u>not</u> pay for child care needed for respite care or during study time.

Child Development and Care (CDC) Program



4. HOW does a person apply for CDC benefits?

Before eligibility can be determined, the local FIA office must receive a signed, dated and completed application. It is to your advantage to apply as soon as you have a child care need. To apply, use one of the following forms available at all FIA local offices:

- an FIA-4583, Child Development and Care (CDC) Application (also available in Spanish, FIA-4583SP). This application form is also available and can be printed from the Internet at: www.michigan.gov/fia. Select "Day Care."
- an FIA-1171, Assistance Application (also available in Spanish, FIA-1171SP).

5. WHAT is required to determine CDC eligibility?

You may be asked to provide the following proofs:

- Your Social Security number
- Your identity
- Court orders of divorce and child support
- Earned and unearned income received by people in your household
- Your unavailability to provide child care
- The child care schedule
- The Social Security number, age and identity of your provider, if you are using a day care aide or relative care provider
- Citizenship/alien status of any child(ren) needing care who is not a U.S. citizen
- Any other information that may be requested by the FIA



CDC Provider Types



You will be given a certain amount of time to provide this information to the local FIA office. Your application may be approved based on the information on your application and before you furnish all the proofs required. However, these proofs are needed to keep your case open. Eligibility determinations are made within 45 calendar days. You and your provider will be notified of the decision.

Under some circumstances, the Agency may issue an early cash payment for child care services needed to begin certain work related activities.

If you are eligible and are using an eligible child care provider, both you and your provider will be mailed a notice listing each child who has been approved for care. If later your case closes, or you become eligible for a different amount, a notice will be sent to you and your provider.

If you are not eligible or are using a child care provider who is not eligible, you are responsible for any child care costs incurred while your application was being processed.

6. WHO is an eligible child care provider?

- Day Care Center A facility, other than a private residence, licensed to care for one or more children.
- Group Day Care Home A private home licensed to care for up to twelve children.



CDC Provider Types



- Day Care Aide An individual employed by the parent(s)/substitute parent(s) and enrolled by the local FIA to provide child care for up to six children in the home where the child(ren) lives.
- Relative Care Provider An adult who is age 18 or older, who does not live with the child(ren), who is enrolled by the local FIA to provide care in his/her own home (not the home where the child(ren) lives) for up to six children, and who is one of the following relatives of the child(ren) needing care:
 - grandparent/step-grandparent
 - •• great-grandparent/step-great-grandparent
 - •• aunt/uncle, step-aunt/step-uncle
 - sibling/step-sibling

Background checks are performed on all day care aides and relative care providers before they can be enrolled by FIA. These background checks must be completed within 6 days of receipt of the provider's enrollment application. You and the provider applicant will be sent a notice of whether the enrollment is approved, denied or withdrawn.

If your current day care aide's or relative care provider's FIA-enrollment is revoked (terminated), you and your provider will be sent a notice to that effect. FIA will only pay eligible child care providers.

7. WHAT if I need help finding and choosing a child care provider?

Contact your local Community Coordinated Child Care (4C) agency at 866-424-4532. (See 4C Resources, pages 12 & 13 in this booklet.) The 4C agencies can give you a list of eligible providers near where you work or live who may be available to provide child care. In addition to providing names of possible providers, the 4C office can help you choose the best care setting for your child.

You can also search for licensed and registered child care providers on the Internet at: www.michigan.gov/fia. Select "Doing Business with FIA \succ Licensing."



CDC Payments



Two FIA publications are also available from your local FIA office or 4C regional office.

(also available on the Internet at: www.michigan.gov/fia. Select "Day Care.")

- FIA Pub-836, 4 Steps to Choosing Quality Child Care
- FIA Pub-626, Accreditation: Added Security When Choosing Child Care

8. HOW is the amount of child care payments figured?

All providers must have an established rate that they charge for child care. The FIA may not be charged more than the provider's lowest established rate for a particular age child (including any discounts given).

The amount of payment depends on family income, the care setting, age of the child, the county where the care is provided, the number of hours of care, and the rate the provider charges. The chart on page 8 shows FIA maximum hourly rates per child.

Some families are required to pay part of the cost of child care based on the Income Eligibility Scale shown on page 9. Families are also responsible to pay any amount not paid by FIA.

9. HOW are payments made?

FIA sends payments directly to the providers except payments for day care aides. Payments for care provided by day care aides are issued directly to the parents. The parents are responsible for paying the day care aides. Payments are issued every two weeks after the providers report the care they provided.

All providers must report to the agency every two weeks to receive payment. The amount of care authorized is the **maximum** number of hours of care that FIA will pay. Providers may only report the care they actually provide, except for allowable absences as described in the CDC Provider Handbook and Reporting Instructions for Child Care Providers (FIA Publication 230).

Providers will receive a pre-filled FIA-805, Child Development and Care Billing/Reporting Record, to assist in reporting and recordkeeping. If your

CDC Payments



provider does not receive an FIA-805 for a pay period in which he/she provided care, ask your Family Independence Specialist to send your provider an FIA-805A(s). Providers report using the Automated Billing for Child Care System (ABCs). Two options are available to them: telephone reporting or Internet reporting. They may only report for children authorized to them. Complete reporting instructions are included in the Provider Handbook and Reporting Instructions for Child Care Providers.

Any overpayments or underpayments must be immediately reported to the Family Independence Specialist. If benefits are overpaid for any reason, the extra benefits received will have to be repaid. If intentional misrepresentation caused the overpayment, the responsible party, including any adult in the program group or the group's authorized representative or provider of goods or services, may be prosecuted for fraud. Return overpayments in a check made payable to the State of Michigan. Send it to the local FIA office.

Payments made by FIA for child care services are reported to the Internal Revenue Service (IRS). All providers except day care aides receive an annual IRS-1099-MISC form. Day care aides and the parent/substitute parent of the child in care are mailed an Annual Statement of all FIA payments made.

NOTE: Day care aides are employed by you and are considered to be household employees under federal law. Therefore, you are required under the Fair Labor Standards Act to, among other things, pay the employer's share of any employer's taxes that need to be paid, such as Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA) taxes. The parent is also required to provide the daycare aide with a W-2 form at the end of the year for income tax purposes.



CDC Payments



10. HOW much child care assistance will I receive?

Some families must pay part of the cost of child care and other families do not.

In general:

- FIP and SSI recipients, licensed Foster Parents, Prevention and Children's Protective Services families do not pay for child care unless the cost of their care exceeds FIA maximums.
- Most other families pay part of the cost, based on their gross monthly income and the number of people in the family. See the CDC Income Eligibility Scale on the next page to determine your family contribution (if any). Family contributions range from 5%-30%. If a provider charges more than the maximum FIA rate, this percent may be more.
- The percent that FIA will pay ranges from 70%-100% of the FIA maximum rate, or the provider's charge, whichever is less.

11. WHAT if I disagree with the Agency?

If you disagree with any action taken by the FIA, you have the right to ask for a hearing. This request must be in writing to the local FIA office.



FIA Maximum Hourly Rates* Per Child



	PROVIDER TYPE							
	DAY C CENT	–	FAMILY GROUP		RELATIVE CARE PROVIDERS		DAY CARE AIDES	
Shelter	Child's Age		Child's Age		Child's Age		Child's Age	
Area	0-2 1/2 Yr	2 1/2 Yr+	0-2 1/2 Yr	2 1/2 Yr+	0-2 1/2 Yr	2 1/2 Yr+	0-2 1/2 Yr	2 1/2 Yr+
I	\$2.25+.25*	\$1.90	\$2.00+.30*	\$2.00	\$1.88**	\$1.88	\$1.35**	\$1.35
II	\$2.60+.40*	\$2.25	\$2.00+.20*	\$2.00	\$1.88**	\$1.88	\$1.35**	\$1.35
Ш	\$2.50+.15*	\$2.00	\$2.00+.35*	\$2.00	\$1.88**	\$1.88	\$1.35**	\$1.35
IV	\$2.85+.50*	\$2.25	\$2.00+.30*	\$2.00	\$1.88**	\$1.88	\$1.60**	\$1.60
V	\$3.00+.40*	\$2.25	\$2.25+.40*	\$2.10	\$2.12**	\$1.97	\$1.60**	\$1.60
VI	\$2.95+.85*	\$2.50	\$2.50+.50*	\$2.50	\$2.35**	\$2.35	\$1.60**	\$1.60

- * "Infant/Toddler Incentive" which is added to the lesser of the provider's charge or the FIA
 Maximum Rate
- ** Trained Day Care Aides and Relative Care Providers receive an extra 25 cents per hour for care of children under 2 1/2 years. "Trained" means the provider completed 15 hours of basic child care training approved by the Michigan 4C Association, for which the provider was paid a \$150 incentive.

SHELTER AREA I: Alger, Baraga, Gogebic, Huron, Iron, Keweenaw, Luce, Mecosta, Menominee, Presque Isle, and Schoolcraft Counties

SHELTER AREA II: Arenac, Chippewa, Delta, Houghton, Iosco, Lake, Manistee, Oceana, Ontonagon, Osceola, and Oscoda Counties

SHELTER AREA III: Alcona, Benzie, Cheboygan, Crawford, Dickinson, Gladwin, Hillsdale, Jackson, Kalkaska, Mackinac, Mason, Missaukee, Montcalm, Muskegon, Newaygo, Ogemaw, Sanilac, and Wexford Counties

SHELTER AREA IV: Allegan, Alpena, Antrim, Berrien, Branch, Calhoun, Cass, Charlevoix, Clare, Emmet, Gratiot, Ionia, Isabella, Marquette, Montmorency, Roscommon, St. Joseph, Shiawassee, Tuscola, and Wayne Counties

SHELTER AREA V: Barry, Bay, Clinton, Eaton, Grand Traverse, Kalamazoo, Kent, Lapeer, Leelanau, Lenawee, Midland, Otsego, Ottawa, Saginaw, and Van Buren Counties

SHELTER AREA VI: Genesee, Ingham, Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw Counties

CDC Income Eligibility Scale



Program Group Size	Gross Monthly Income					
1	\$0- \$1496	\$1497- \$1533	\$1534- \$1570	\$1571- \$1607	No FIA assistance if gross monthly income is over \$1607	
2	\$0- \$1496	\$1497- \$1533	\$1534- \$1570	\$1571- \$1607	No FIA assistance if gross monthly income is over \$1607	
3	\$0- \$1847	\$1848- \$1895	\$1896- \$1943	\$1944- \$1990	No FIA assistance if gross monthly income is over \$1990	
4	\$0- \$2198	\$2199- \$2255	\$2256- \$2311	\$2312- \$2367	No FIA assistance if gross monthly income is over \$2367	
5	\$0- \$2551	\$2552- \$2616	\$2617- \$2681	\$2682- \$2746	No FIA assistance if gross monthly income is over \$2746	
6	\$0- \$2902	\$2903- \$2976	\$2977- \$3050	\$3051- \$3123	No FIA assistance if gross monthly income is over \$3123	
7	\$0- \$3253	\$3254- \$3336	\$3337- \$3418	\$3419- \$3500	No FIA assistance if gross monthly income is over \$3500	
8	\$0- \$3604	\$3605 \$3695	\$3696- \$3786	\$3787- \$3877	No FIA assistance if gross monthly income is over \$3877	
9	\$0- \$3955	\$3956- \$4055	\$4056- \$4155	\$4156- \$4254	No FIA assistance if gross monthly income is over \$4254	
10+	\$0- \$4309	\$4310- \$4417	\$4418- \$4525	\$4526- \$4634	No FIA assistance if gross monthly income is over \$4634	
% of FIA Rate Paid	95%	90%	80%	70%		

Payment Example



Janet and her three children live in Ingham County (Shelter Area VI) and do not receive FIP or SSI payments. Janet is a single mom who needs child care for her two younger children while she is working. She does not need care for her 13-year old child.

She leaves her three year old at a day care center for seven hours a day, five days a week. Her other child, age six, is cared for by an FIA-enrolled day care aide in Janet's home for two hours a day after school.

The day care center charges \$105 per week for full time care (25+ hours). This is \$3.00 per hour ($$105 \div 35$ hours = \$3.00). The FIA allowable rate is the lesser of the provider's charge (\$3.00) or the FIA maximum rate (\$2.50).

The day care aide charges \$1.50 an hour, which is less than the FIA maximum rate of \$1.60 per hour.

The FIA allowable amount is \$87.50 per week for the preschooler (\$2.50 per hour in a day care center \times 7 hours \times 5 days). The child care charge for the other child is \$15 per week (\$1.50 per hour for a day care aide \times 2 hours \times 5 days). The total allowable biweekly cost for child care is \$205 (\$87.50 + \$15 = \$102.50 \times 2 weeks = \$205).

(Example continues on next page.)



Janet's gross earnings are \$425 per week or \$1,828 gross earnings per month $($425 \times 4.3 \text{ weeks per month} = $1,828)$. She receives child support of \$430 per month. Her total gross monthly income is \$2,258. Based on her gross monthly income and family size of 4, FIA will pay 80% (\$164.00) of her allowable child day care costs every two weeks.

	Three-Year Old Child
35 <u>x \$2.50</u> =\$87.50 <u>x 2</u> \$175.00	Hours of Care Needed Per Week Center's Allowable Hourly Rate Weekly Amount Weeks Biweekly
	Six-Year Old Child
$ \begin{array}{r} 10 \\ \times \$1.50 \\ = \$15.00 \\ \times 2 \\ \$30.00 \end{array} $	Hours of Care Needed Per Week Day Care Aide's Hourly Rate Weekly Amount Weeks Biweekly
\$240.00	Janet's Actual Biweekly Child Care Cost
\$205.00	Total FIA Allowable Biweekly Child Day Care Costs (\$175.00 + \$30.00)
<u>× 80%</u>	FIA Pay Percent
\$164.00	Amount of FTA navment



4C Resources



Call toll free 866-424-4532 to reach the 4C office serving your county.

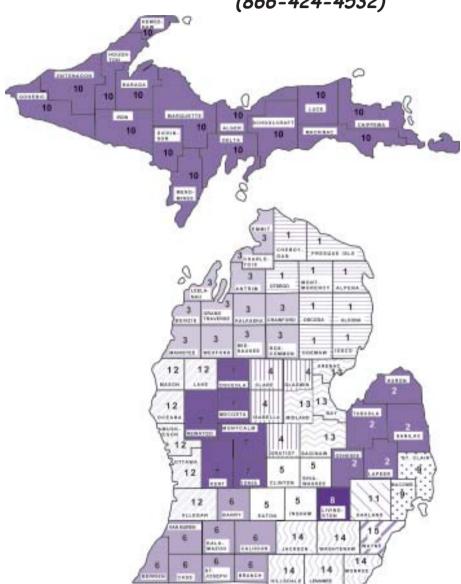
	Agency Name	<u>Counties Served</u>
1.	Child & Family Services Northeast Michigan 4C	Alcona, Alpena, Cheboygan, Iosco Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle
2.	4Child Care Unlimited	Genesee,Huron,Lapeer, Sanilac, Tuscola
3.	Child Care Connections/ Northwest Michigan 4C	Antrim, Benzie, Charlevoix Crawford, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Roscommon, Wexford
4.	Child Advocacy 4C of Central Michigan	Clare, Gladwin, Gratiot, Isabella
5.	Office for Young Children/ Ingham Regional 4C	Clinton, Eaton, Ingham, Shiawassee
6.	Child Care Resources/ Kalamazoo Regional 4C	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren
7.	Kent Regional 4C	Ionia, Kent, Mecosta, Montcalm, Newaygo, Osceola
8.	Livingston County 4C Council	Livingston
9.	Macomb/St. Clair 4C	Macomb, St. Clair
10.	4C of the Upper Peninsula	All Upper Peninsula Counties
11.	Oakland County Child Care Council	Oakland
12.	Children's Resource Network/ Ottawa Regional 4C	Allegan, Lake, Mason, Muskegon, Oceana, Ottawa
13.	Saginaw Valley Regional 4C	Arenac, Bay, Midland, Saginaw
14.	Child Care Network/ Washtenaw Regional 4C	Hillsdale, Jackson, Lenawee, Monroe, Washtenaw
15.	Detroit/Wayne County 4C	Wayne

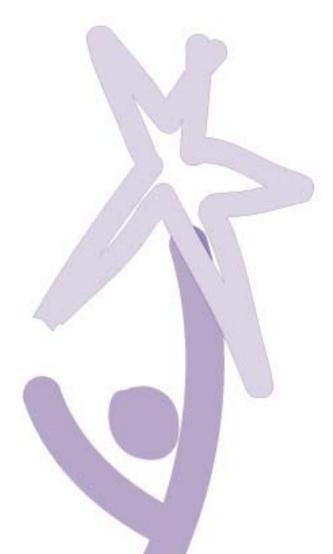
4C Resources



Michigan Community Coordinated Child Care (4C) Regional Offices

866-4CHILDCARE (866-424-4532)







The Family Independence Agency will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, height, weight, marital status, political beliefs or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to an FIA office in your county.

QUANTITY: 75,000

COST: \$16,423.01 (.22 ea)
AUTHORITY: FIA Director

FIA Pub 798 (Rev. 8-04) (February 2004 edition may be used.)